

## Message Text

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PAGE 01 CANBER 00146 060720Z  
ACTION STR-05

INFO OCT-01 EUR-12 EA-10 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05  
SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 SOE-02  
OMB-01 DOE-11 /110 W  
-----081964 060737Z /20

R 060612Z JAN 78  
FM AMEMBASSY CANBERRA  
TO SECSTATE WASHDC 2100  
INFO AMEMBASSY TOKYO  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY LONDON  
AMEMBASSY PARIS

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STATE PASS STR AND AGRICULTURE

USEEC

E.O. 11652: N/A  
TAGS: ETRD, MTN, JA, AS  
SUBJECT: U.S. CONSULTATIONS WITH JAPAN

REF: (A) 77 STATE 297097, (B) 77 STATE 294485

1. SUMMARY. MINISTER FOR TRADE AND RESOURCES ANTHONY HAS  
REPLIED TO LETTER OF AMBASSADOR STRAUSS, COVERED REFTEL A,  
REGARDING U.S.-JAPAN ECONOMIC CONSULTATIONS. IN HIS REPLY,  
ANTHONY STATED THAT AUSTRALIA SHARES CONCERN THAT SOLUTIONS  
TO TRADE IMBALANCES BE FOUND QUICKLY, WHILE VOICING CONCERN  
AT POSSIBLE IMPLICATIONS FOR AUSTRALIAN TRADE. ON JAN. 5  
OFFICER-IN-CHARGE OF ECON SECTION AN AGATTACHE WERE  
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PAGE 02 CANBER 00146 060720Z

CALLED TO DEPARTMENT OF TRADE AND RESOURCES FOR EXPRESSION  
OF CONCERN OVER PRESS REPORTS THAT U.S. MIGHT BE CONCLUDING  
MEAT QUOTA AGREEMENT BENEFICIAL ONLY TO U.S. END SUMMARY.

2. ACTING FIRST ASSISTANT SECRETARY V. HOOTEN IN COMMODITY  
POLICY DIVISION OF DEPARTMENT OF TRADE AND RESOURCES  
CALLED IN OFFICER-IN-CHARGE OF ECON SECTION AND AG ATTACHE

ON JAN 5 TO EXPRESS CONCERN AT PRESS REPORTS SUGGESTING THAT U.S. MIGHT BE MOVING TOWARDS AGREEMENTS WITH JAPAN WHICH WOULD OVERLOOK INTERESTS OF OTHER TRADING PARTNERS. ARTICLE PARTICULARLY CITED WAS JAN. 4 REUTERS REPORT FROM JAPAN, WHICH STATED, "MR. STRAUSS LAST MONTH DESCRIBED AS UNSATISFACTORY AN EIGHT-POINT JAPANESE PLAN, INCLUDING TARIFF CUTS AND EXPANSION OF IMPORT QUOTAS, AIMED AT TRIMMING THE SURPLUS. THE UNITED STATES LATER PRESSED JAPAN TO INCREASE ITS ANNUAL QUOTA FOR HIGH-QUALITY BEEF FOR USE IN HOTELS FROM 1,000 TO 10,000 TONNES..."

3. EMPHASIZING THAT AUSTRALIA REALIZED THAT U.S. POLICY AS ENUNCIATED BY AMB. STRAUSS WAS TO TAKE INTO ACCOUNT THE INTERESTS OF OTHER COUNTRIES, HOOTEN EXPRESSED CONCERN THAT JAPANESE MIGHT OFFER A SUFFICIENTLY ATTRACTIVE CONCESSION TO U.S. TO CAUSE INTERESTS OF OTHER COUNTRIES TO BE LOST SIGHT OF. IF QUOTA FOR HOTEL BEEF, WHICH U.S. SUPPLIES, WERE TO BE INCREASED TO 10,000 TONNES WITHOUT AN INCREASE IN THE OVERALL QUOTA OF 50,000 TONNES, THIS WOULD DIRECTLY BENEFIT THE U.S., DIRECTLY HARM AUSTRALIA, AND CAUSE CONSIDERABLE POLITICAL REPERCUSSIONS IN AUSTRALIA. EVEN WERE AN INCREASE IN HOTEL BEEF SUB-QUOTA TO REPRESENT AN ADD-ON TO OVERALL QUOTA, IT WOULD BE DISAPPOINTING IN TERMS OF U.S. COMMITMENT TO EQUAL MARKET ACCESS.

4. AS EMBASSY OFFICERS DEPARTED, JAPANESE EMBASSY OFFICERS LIMITED OFFICIAL USE

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PAGE 03 CANBER 00146 060720Z

ENTERED THE BUILDING, HAVING BEEN CALLED IN FOR SIMILAR REPRESENTATIONS.

5. JAN. 6 PRESS REPORT, FROM UPI TOKYO, STATES THAT AGREEMENT REACHED ON 3,000 TON INCREASE IN QUOTA FOR HOTEL BEEF. ARTICLE DOES NOT INDICATE WHETHER AMOUNT IS ADD-ON OR REALLOCATION WITHIN QUOTA. IF UPI REPORT IS CORRECT, EMBASSY WOULD APPRECIATE ELUCIDATION OF THIS POINT.

6. MINISTER ANTHONY'S LETTER TO AMBASSADOR STRAUSS IS BEING FORWARDED TO OFFICE OF SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS. TEXT OF LETTER IS AS FOLLOWS:

QUOTE MY DEAR AMBASSADOR,

QUOTE THANK YOU FOR YOUR LETTER OF 14 DECEMBER 1977 ADVISING ME OF DEVELOPMENTS IN YOUR CONSULTATIONS WITH THE JAPANESE GOVERNMENT ON TRADE AND ECONOMIC ISSUES.

QUOTE AUSTRALIA HAS A VITAL INTEREST IN THE OUTCOME OF THESE TALKS AND OF THE PARALLEL DIALOGUE BETWEEN JAPAN AND THE COMMUNITY. WE SHARE THE CONCERN THAT SOLUTIONS BE

FOUND QUICKLY TO THE CURRENT POBLEMS ARISING FROM TRADE  
IMBALANCES; SOLUTIONS THAT LEAD TO THE SOUND DEVELOPMENT OF  
INTERNATIONAL TRADE. HOWEVER, WE HAVE ALSO  
BEEN CONCERNED AT THE POSSIBLE IMPLICATIONS FOR OUR TRADE  
WITH THE COUNTRIES INVOLVED, PARTICULARLY JAPAN.

QUOTE I WELCOME YOUR ASSUANCE THAT IN YOUR DISCUSSIONS  
YOU HAVE EMPHASIZED THAT THE TRADE LIBERALIZATION MEASURES  
ADOPTED BY JAPAN MUST TAKE ACCOUNT OF THE INTERESTS OF ALL  
ITS TRADING PARTNERS. I WOULD FURTHER ADD THAT OUR VIEW IS  
THAT, IN TACKLING THE PRESENT PROBLEMS THE EMPHSIS  
SHOULD BE ON EXPANSION OF IMPORTS BY JAPAN RATHER THAN  
CONTRACTION OF THAT COUNTRY'S EXPORTS.

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PAGE 04 CANBER 00146 060720Z

QUOTE I HOPE IT WILL BE POSSIBLE FOR YOU TO VISIT  
AUSTRALIA IN TE NEAR FUTURE TO DISCUSS THESE AND OZV  
MATTERS.

QUOTE YOURS SINCERELY, J.D. ANTHONY. END QUOTE.  
SQUIRE

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, MEETINGS  
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**Decaption Date:** 01 jan 1960  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**TAGS:** ETRD, JA, AS, MTN  
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